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# **INTERNAL CONTROL AND COMPLIANCE MANUAL FOR TENNESSEE MUNICIPALITIES**



***This document, combined with Chapters 1-12 of *Governmental Accounting, Auditing And Financial Reporting*, supersedes the *Uniform Accounting Manual for Tennessee Municipalities****



**W. R. Snodgrass  
Comptroller Of The Treasury  
State Of Tennessee**

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April 1995**

## PREFACE

**Section 9-2-102, *Tennessee Code Annotated*, requires the Comptroller of the Treasury to prescribe a uniform accounting system for use by all municipal officials. The statute states, "It is the duty of all officials to adopt and use the system and the character of books, reports, and records designated. . . ." An accounting system has been defined as "the methods and records established to identify, assemble, analyze, classify, record and report a government's transactions and to maintain accountability for the related assets and liabilities."**

**In order to fulfill this responsibility to provide a comprehensive uniform accounting system, we are issuing the *Internal Control and Compliance Manual for Tennessee Municipalities (ICCMTM)*. This manual sets forth guidance for establishing internal control and identifies compliance issues related to state laws and regulations affecting municipalities. The manual is to be used in conjunction with the first 12 chapters of the Government Finance Officers Association's 1994 *Governmental Accounting, Auditing, and Financial Reporting (GAAFR)*, commonly known as the "blue book."**

**The ICCMTM provides related *Tennessee Code Annotated* references and references to applicable state attorney general's opinions for each major topic. Please note that these references in the appendix are not intended to be all-inclusive.**

**Because of certain specialized accounting requirements, Tennessee municipalities should not use the illustrative chart of accounts in Appendix C of the GAAFR but should contact the Municipal Technical Advisory Service for assistance.**

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**TITLE 1**

**INTERNAL CONTROL ELEMENTS**

# **INTERNAL CONTROL AND COMPLIANCE MANUAL FOR TENNESSEE MUNICIPALITIES**

## **TITLE 1 INTERNAL CONTROL ELEMENTS CHAPTER 1 REQUIRED BOOKS AND RECORDS**

**Municipal officials should ensure that**

- Section 1** a policies and procedures manual is part of the written record system of the municipality. The municipality's manual should incorporate or reference all the policies and procedures required in this manual and should include any additional policies and procedures specific to the municipality. All policies and procedures should be in strict compliance with federal, state and local laws.
- Section 2** a complete, self-balancing account group is established and maintained for each fund. This group should include all general ledger accounts and subsidiary records necessary to comply with legal provisions and generally accepted accounting principles and to present the financial position and the results of financial operations of the fund.
- Section 3** subsidiary ledgers, such as the tax roll and the water utility accounts receivable listing, are used to maintain individual account transaction details to support the total in the general ledger control (summary) account.
- Section 4** complete minutes of actions taken by the legislative body are maintained. The minutes should include the following:
- (a) copies of all ordinances and resolutions adopted**
  - (b) copies of the budget and any supplemental appropriations**
  - (c) schedules of personnel appointments and salary rates and changes**
  - (d) copies of bond and revenue anticipation resolutions**

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- (e) authorizations of loans and transfers between funds**
- (f) notices of public hearings and resulting decisions**
- (g) copies of federal and state grant applications**
- (h) summaries of action taken on competitive bids**
- (i) copies of contracts entered into by officials, who must obtain a written contract for all agreements with other entities or individuals for services received or provided, regardless of whether payment is involved, including the following:**
  - (1) contract labor and consultant agreements, including computer services, day labor and similar work**
  - (2) leases**
  - (3) rentals**
  - (4) management agreements**
  - (5) mutual aid agreements**

**Section 5**    **a personnel policy manual is part of the record system of the municipality.**

# **INTERNAL CONTROL AND COMPLIANCE MANUAL FOR TENNESSEE MUNICIPALITIES**

## **TITLE 1 INTERNAL CONTROL ELEMENTS CHAPTER 2 SEPARATION OF DUTIES**

- Section 1** Municipal officials should establish a simple and flexible organizational plan which clearly places responsibility for specific activities upon specified individuals. Control over the accounting function should be centralized under one official who is responsible for all recordkeeping and reporting and who has the authority to supervise the entire financial operation.
- Section 2** Municipal officials should enforce division of duties to provide a system of checks and balances so that no one person has control over a complete transaction from beginning to end. Work flow should be established so that one employee's work is automatically verified by another employee working independently. When possible, different persons should be responsible for the authorization, recordkeeping (posting), custodial (cash and materials handling), and review procedures, to prevent manipulation of records and minimize the possibility of collusion.
- Section 3** Municipal officials should provide constant, close supervision to ensure the following:
- (a) internal controls are working
  - (b) personnel are following the prescribed routines
  - (c) work flow obstructions are minimized
  - (d) bank accounts and control accounts are being reconciled systematically and the reconciliation is documented and retained
  - (e) procedures are effective and efficient
  - (f) adequate information is being furnished promptly



## **INTERNAL CONTROL AND COMPLIANCE MANUAL FOR TENNESSEE MUNICIPALITIES**

**Section 4** Municipal officials should ensure that automatic proof techniques are applied whenever possible. These techniques include the use of an employee without prior access to the records to do the following:

- (a) reconcile bank accounts and match reconciled amount to general ledger cash account balance**
- (b) reconcile subsidiary ledger detail of tax receivable and utility accounts receivable with predetermined control totals and confirm accounts receivable with taxpayer/utility users**
- (c) periodically test petty cash fund balances and daily balancing of cash receipts**
- (d) open mail and prelist mail receipts for the cashier**
- (e) reconcile unpaid court fines with the court docket**
- (f) reconcile cases referred to county courts with fine revenue received from the referrals**
- (g) test for uniform application and collection of interest and penalties**
- (h) perform routine duties of other employees who, because of their excess to cash, are required to have their job duties performed by another employee for at least one vacation period per year.**

**NOTE: All tests and reconciliations should be documented and the documentation retained.**

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**TITLE     1   INTERNAL CONTROL ELEMENTS  
CHAPTER 3   BANKING AND CASH MANAGEMENT**

**Section 1   Municipal officials should require collateralization of 105 percent (105%) on all deposits above the \$100,000 FDIC/FSLIC insured amounts. Personnel in depository institutions and the municipality's attorney should be consulted to determine that collateral is in accordance with all applicable legal provisions.**

**Municipal officials should ensure that**

**Section 2   any dormant bank accounts are closed as soon as they become unneeded.**

**Section 3   personnel use only forms of investments meeting State of Tennessee legal requirements, which include the following:**

- (a) short-term investments secured by the FDIC/FSLIC in certificates of deposit, savings accounts of national and state banks, and savings accounts at savings and loans associations**
- (b) short-term investments in treasury bills and treasury certificates, including security repurchase agreements at mutually agreeable interest rates for large sums available for very short-term investment**
- (c) short-term or long-term investments, which mature in two years or less, in TVA obligations**
- (d) long-term investments, which mature in two years or less, in housing authority bonds and in state, county and city bonds**
- (e) deposits in the Tennessee Local Government Investment Pool**

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**NOTE: Tax-free bonds usually are not considered to be good investments since the tax-free feature carries a lower interest rate and is of no benefit to the municipality. Consideration should be given to the safety of the investment and to liquidity as well as to the rate of return.**

**Municipal officials should ensure that**

**Section 4 personnel maintain an investment record card or a similar record listing the essential features of each investment, including the following:**

- (a) date of purchase**
- (b) description (or bank name) and identification number of each security**
- (c) interest rate**
- (d) original cost**
- (e) fund or funds providing the excess cash for investment**
- (f) maturity date of the investment**

**Section 5 personnel safeguard all securities by depositing them in a safe-deposit box with access restricted to dual control by two responsible officials.**

**Section 6 when an investment is cashed, the amount received and the use (reinvestment, cash deposit in general fund checking account, etc. ) is recorded.**

**Section 7 the forecasting system works effectively to minimize idle checking account balances and that the investment program yields a maximum return considering all available legal investments with adequate liquidity and security.**

# **INTERNAL CONTROL AND COMPLIANCE MANUAL FOR TENNESSEE MUNICIPALITIES**

## **TITLE 1 INTERNAL CONTROL ELEMENTS CHAPTER 4 ASSET SAFEGUARDS**

### **Municipal officials should**

**Section 1** adopt policies and procedures that provide safeguards for inventories of materials and supplies. These policies and procedures should, at a minimum, include the following:

- (a)** a requirement to inspect and count each incoming materials delivery, with the receiver signing each invoice as received
- (b)** a requirement that all materials are stored in designated areas that are protected against unauthorized withdrawals and other losses
- (c)** a requirement that scrap materials that have a known salvage value are stored until sold and that the proceeds from the sale of scrap are handled in the same manner as other cash receipts

**Section 2** require that all fixed assets are located, identified (tagged or marked), and recorded using a separate card for each property item or group of similar items, such as chairs, purchased at the same time. The record should be retained at the municipality and should include up-to-date purchase and disposal information. An annual inventory should be performed and documented.

**Section 3** require that a record of moveable, high-risk, sensitive property, such as TVs, VCRs, and small office machines, as well as furnishings and works of art, be established and maintained and an annual inventory be performed.

## **INTERNAL CONTROL AND COMPLIANCE MANUAL FOR TENNESSEE MUNICIPALITIES**

**Section 4** adopt a policy defining risk management objectives and evaluating alternative methods of meeting these objectives. The officials should consider the possible savings to be obtained by self-insuring small damage claims and using commercial insurance for claims above the specified deductible amounts.

**Section 5** adopt a policy concerning insurance, which at a minimum includes the following:

- (a) a requirement for surety bond coverage of all officials and employees handling money or other valuable property**
- (b) a requirement to analyze and measure property and liability risk exposure**
- (c) a requirement to bid approved coverage, using applicable coinsurance provisions, when possible, to minimize the net cost of the approved program**
- (d) a provision for administration of group insurance and employee benefit plans**

**NOTE:** Additional guidance regarding insurance and risk management can be found in the following publications of the Municipal Technical Advisory Service: *Guidelines for Aiding Tennessee Municipalities in Securing Insurance Bids* (1984) and *Local Government Risk Management Handbook* (1982).

# **INTERNAL CONTROL AND COMPLIANCE MANUAL FOR TENNESSEE MUNICIPALITIES**

## **TITLE 1 INTERNAL CONTROL ELEMENTS CHAPTER 5 RECORDS MANAGEMENT**

**Section 1** Municipal officials should ensure that records are retained according to the need to reference, the need for legal protection, the available storage space, and common sense. Accurate and detailed documentation is an important aspect of public service and public trust.

**Section 2** Municipal officials should establish policies concerning record retention using the following guidelines:

- (a) Immediately discard unnecessary records, including obsolete records and nonrecord material. Avoid more than a temporary accumulation of periodicals, circulars and other printed materials.
- (b) Correspondence and general documents should be retained no longer than needed for frequent reference (usually a maximum of two years after the period covered by the record). The documentation for inquiries may consist of handwritten marginal notes on the original letter which should be discarded after the matter has been closed.
- (c) Bank deposit slips, inventory records, time cards, invoices, purchase orders, receipt books, garnishment orders and similar items should be retained for at least three years.
- (d) Six-year retention from the date of the applicable transactions is recommended for contracts and leases, insurance policies, claims records, duplicate receipts, canceled checks and redeemed bond and interest coupons.
- (e) Six-year retention for open accounts.

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APR**
- (f) Ten-year retention is recommended for accounts receivable and inventory ledgers, cost records and journal vouchers, subsidiary revenue or expenditure ledgers and voucher or check registers.**
- (g) Ten-year retention as required by Section 67-5-1806, *Tennessee Code Annotated*, for judgments related to delinquent property tax.**
- (h) Permanent preservation, including consideration of microfilming, is recommended for the following:**
- 1) audit and financial reports**
  - 2) bond and interest ledgers**
  - 3) certification of bonds and interest coupons destroyed**
  - 4) charts of accounts and procedure manuals**
  - 5) deeds and other title papers**
  - 6) employee earnings and personnel records**
  - 7) fixed asset records**
  - 8) general ledgers and cash journals**
  - 9) investment security or trust records**
  - 10) special assessment ledgers**
  - 11) tax rolls and other legal, statistical, accounting and special reports**
- (i) The records management plan should be periodically evaluated. Shorter retention periods may be tried, constantly keeping in mind the fire hazard, space cost, and excessive labor handling costs involved in unnecessary retention of records.**

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**TITLE 2**

**PURCHASING/EXPENDITURES**



# **INTERNAL CONTROL AND COMPLIANCE MANUAL FOR TENNESSEE MUNICIPALITIES**

## **TITLE 2 PURCHASING/EXPENDITURES CHAPTER 1 PURCHASING POLICY**

**Section 1** The governing body, by ordinance, should establish a purchasing policy which complies with the requirements of the Municipal Purchasing Law of 1983, Sections 6-56-301 through 6-56-306, *Tennessee Code Annotated*. The procedures enumerated in this chapter are the minimum that should be included in the policy.

**The municipality's purchasing policy should**

**Section 2** designate persons authorized to make purchases who have the authority to determine that the item is necessary and the quantity requested is appropriate.

**Section 3** require use of prenumbered purchase orders for purchases over a predetermined amount.

**Section 4** outline procedures for emergency and small-item purchases without approval.

**Section 5** require approval of prenumbered purchase orders by the finance officer or his designee to indicate that there is sufficient balance in the unexpended appropriation to allow the expenditure and to indicate that the expenditure is in accordance with the purpose of the appropriation. The municipal purchasing policy should require competitive bids for purchases over a stated amount.

**Section 6** require competitive bids for management services for construction projects.

**Section 7** require that personnel retain sufficient documentation to substantiate that competitive bids were requested. When a contract is not awarded to the lowest bidder, the reasons should also be documented.

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**Section 8** require legislative-body approval of any lease-purchase contracts which would extend beyond the current fiscal year.

**Section 9** require that when competitive bids are necessary, personnel do the following:

- (a) write the specifications and advertise for bids**
- (b) mail the specifications and bid requests to prospective bidders**
- (c) maintain complete records of any bid deposits received**
- (d) advertise the bid opening in a local newspaper at least one week prior to opening**
- (e) hold a public bid opening at the time and place announced**

**Section 10** require that the appropriate municipal official(s) and the successful bidder sign a written agreement after the contract award. A copy of the signed contract should be maintained in the municipality's files. The policy should require that bid deposits be returned to unsuccessful bidders after the contract is signed.

**Section 11** If a competitive bid is unnecessary, the municipal purchasing policy should require that the person authorized to make purchases obtain price quotations and avoid any purchase contracts which may involve potential conflict of interest on the part of a public official. The municipal purchasing policy should require that a written record be retained when quotations are obtained.

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**TITLE     2    PURCHASING/EXPENDITURES  
CHAPTER 2   CASH DISBURSEMENTS**

**Municipal officials should ensure**

- Section 1**    that the request for payment (statement) from the vendor is compared to the individual invoices on file. Payment should never be based on a statement only. The testing of prices, extension of amounts, and addition of the total invoice should be required.
- Section 2**    the use of PRENUMBERED checks and protected paper to avoid erasures. Checks should be prepared in advance of payment date. Both the checks and attached documentation should be submitted to the designated officials for examination and signature. Municipal officials should require two signatures on all checks.
- Section 3**    that personnel cancel invoices, writing on each one the check number, amount, payment date, and account to be charged before the checks and documentation are submitted for approval and signing.
- Section 4**    that supporting documentation is filed alphabetically by vendor or by date paid.
- NOTE:** All disbursements, regardless of the accounting procedures, must be supported by invoices, cash tickets or other adequate supporting documentation. (Statements are NOT adequate supporting documentation.)
- Section 5**    the use of prenumbered work order forms to document all nonadministrative jobs performed by municipal employees. The work order information should include the date, nature and location of the job, specifications of the work to be performed, and a job number which can be used to accumulate the related labor, materials and equipment costs.

## **INTERNAL CONTROL AND COMPLIANCE MANUAL FOR TENNESSEE MUNICIPALITIES**

**Section 6** that all expenditures for labor and parts for routine maintenance or repair of vehicles or equipment be supported by a maintenance log system. The log should list the date of service or repair, the name of the employee performing the work, all materials and parts used and the mileage of the vehicle at the time of service.

**Section 7** that supporting documentation for fuel purchases includes a reconciliation of the amount of fuel used to the amount of fuel purchased.

**Section 8** that when sidearms are purchased for policemen and the policemen are required to reimburse the municipality, the following procedures are followed:

- a. The municipality should make sidearm purchases for policemen on a first-time basis only.
- b. The municipality should pay for all purchases of sidearms by check made payable to the vendor.
- c. The municipality should record the sidearms purchased on a detailed list, including serial numbers.
- d. The amount of reimbursement should be recorded by the municipality in the general ledger as an "Account Receivable-Other," with the amount due from each officer recorded in a subsidiary ledger account. The balance should be reduced as payments are made by the individuals who received the guns or when deductions are made from the individuals' pay.

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**Section 9** that disbursements for job-related travel and municipal vehicle usage costs are in accordance with the municipality's written policies which are required by Sections 6-54-901 through 6-54-907, *Tennessee Code Annotated*. The written travel policy should require expenses for reimbursement to be reported on a standardized form in sufficient detail to allow the determination of allowability. In addition, the written policy should specify the documentation required to support the expense report. State law requires all municipalities with populations of 100,000 or less to file all travel and expense reimbursement policies and any amendments with the Office of the Comptroller. As an alternative to writing its own policy, the municipality may adopt the model travel policy, dated June 23, 1993, provided by the Municipal Technical Advisory Service. Occasionally, it may be necessary to provide a cash travel advance for an employee or official to travel on municipal business. When a travel advance is given, the amount of advance should be posted to a special subsidiary ledger as an amount due the municipality from the recipient of the advance. When the travel is completed, the advance should be reconciled to the travel claim and supporting documents. The difference should be either paid to the employee (in cases where the travel claim amount exceeds the advance) or collected from the employee (in cases where the advance exceeds the travel claim amount).

**NOTE:** The reconciliation of the travel expenses should be completed no more than 10 days after the travel is completed.

**Section 10** that a federal Form 1099 is prepared and sent to the Internal Revenue Service for each noncorporate recipient of the municipality's funds during a calendar year. (Contact the IRS for the current reporting limit.) This requirement applies to service providers and consultants under contract, as well as to any other nonpayroll, noncorporate recipients.

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**TITLE 2 PURCHASING/EXPENDITURES  
CHAPTER 3 PAYROLLS**

**Section 1** Precise maintenance and centralized control of payroll records is essential, even in the smallest municipality, because of social and labor legislation and the complex accounting and reporting problems involved.

**Municipal officials should ensure that**

**Section 2** prospective employees prepare an employee application form listing the applicant's experience, job qualifications, and references.

**Section 3** each employee file a current Internal Revenue Service Form W-4 withholding exemption certificate.

**Section 4** an employee record card is on file for each employee. The record should include the following:

(a) name

(b) mailing address

(c) telephone number

(d) social security number

(e) number of exemptions claimed (from W-4 or W-4E)

(f) marital status and spouse's name, if applicable

(g) date of birth

(h) authorized rate of pay (referenced to the statutory and budgetary authorization)

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**NOTE:** Detailed pay-rate listings by employee classification should be included as supplementary schedules to support salary appropriations in the budget.

**(i) date of original employment**

**(j) authorizations for insurance, retirement and charitable deductions**

**Section 5** a cumulative employee leave record is maintained for each employee. The record should clearly show all leave of any type earned and taken for each pay period, all paid and unpaid absences, and the current leave balance.

**Section 6** each newly hired employee files a current employment eligibility verification (Form I-9).

**Section 7** the following payroll procedures are performed:

**(a) Time cards, weekly time reports, or other labor records are processed by inserting and extending pay rates.**

**(b) Overtime and gross earnings for the period are calculated, and the expenditure accounts charged are noted.**

**(c) From the tables in Internal Revenue Service Circular E, income tax withholdings are determined, and other deductions for each employee are calculated.**

**NOTE:** Time cards or honor system time sheets (approved by department heads) should be maintained for all employees in order to eliminate unauthorized pay and repeated tardiness. Also, when applicable, union regulations and federal law, such as the Davis-Bacon Act, the Fair Labor Standards Act and others, should be considered in pay-rate determination.

## **INTERNAL CONTROL AND COMPLIANCE MANUAL FOR TENNESSEE MUNICIPALITIES**

- Section 8** check amounts for salaried employees are calculated using the authorized rates and deductions on the employee record cards. The reason for nondelivery of all unclaimed salary checks should be investigated.
- Section 9** department heads promptly notify the accounting office of all employee terminations, and officials should ensure that the final paycheck is delivered directly to the terminated employee, who must furnish a forwarding address for mailing a federal Form W-2. The date and reason for termination and the address should be recorded in the employee's personnel file.
- Section 10** social security and federal income tax payroll withholdings for the previous month are recorded on an IRS form and deposited in an authorized bank according to IRS rules. For specific information, consult a current copy of IRS Publication 15, "Circular E, Employer's Tax Guide."
- Section 11** Municipal officials should note that local governmental units are required to report total salaries and make payment of income taxes withheld in the same manner as other employers. Contributions for participation in the State of Tennessee Retirement System, if authorized, should also be made to the State of Tennessee. Payment of unemployment tax is required for all municipalities.



# **INTERNAL CONTROL AND COMPLIANCE MANUAL FOR TENNESSEE MUNICIPALITIES**

## **TITLE 2 PURCHASING/EXPENDITURES CHAPTER 4 PETTY CASH AND CHANGE FUNDS**

**Municipal officials should ensure that**

- Section 1** checks are written to "petty cash" to establish the petty cash fund. Each such "account" consists of an authorized, fixed sum of money set aside as an asset for the purpose of making miscellaneous purchases and making advances for emergency travel needs.
- Section 2** petty cash disbursements are made only as needed and that an invoice or petty cash voucher, prepared in ink, showing the items purchased, and signed by the person receiving the cash, is required in each case. The amount of cash on hand and petty cash vouchers written must total to the originally authorized amount of the funds.
- Section 3** when the available cash has been reduced to an amount insufficient to meet routine requirements, a check is written to replenish the cash. The check, made payable to "petty cash," should be delivered to the petty cash fund cashier to be cashed. The total reimbursed will be separated into amounts to be charged to each of the applicable expenditure accounts.
- Section 4** someone other than the person responsible for handling the petty cash fund inspect, approve, date, initial, and mark each voucher "PAID" to prevent reuse. Municipal officials should enforce the following restrictions:
- (a) The petty cash fund should be maintained at the lowest amount possible and should be replenished only after the strictest scrutinizing of all supporting documentation for the petty cash disbursements.

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- (b) Under no condition should the petty cash fund be commingled with personal funds of a city official or employee or used to cash personal checks or to make advances to employees.**
- (c) Since checks to replenish the petty cash fund are charged to the expense accounts represented by the petty cash vouchers, the only entries to the petty cash fund asset account would be to establish the fund, increase or decrease the fund, or to close the fund.**
- (d) Receipts from vending machines and other miscellaneous services should be recorded and deposited like other revenue and not maintained as a petty cash fund or used for miscellaneous purposes.**

# **INTERNAL CONTROL AND COMPLIANCE MANUAL FOR TENNESSEE MUNICIPALITIES**

## **TITLE 2 PURCHASING/EXPENDITURES CHAPTER 5 SPECIAL REVENUE FUNDS**

- Section 1** Proceeds from the state gasoline taxes are distributed by the State of Tennessee monthly to each eligible municipality. Municipal officials should ensure that the municipality expends such funds only for one or more of the purposes listed in Section 54-4-204, *Tennessee Code Annotated*. Municipal officials should ensure that the municipality keeps all funds received from the municipal street aid fund in a separate fund designated as "State Street Aid Fund," unless the Comptroller of the Treasury of the State of Tennessee has authorized the municipality in writing to account for such funds in the general fund.
- Section 2** Municipal officials should ensure that if the municipality prefers to keep and account for the municipal state street aid funds in the general fund of the municipality, a written request is submitted to and approval authorized through the Director of the Division of Municipal Audit, Department of Audit, Comptroller of the Treasury, State of Tennessee, Suite 1600, James K. Polk State Office Building, Nashville, Tennessee, 37243-0271. Municipal officials should ensure that, if such a request is authorized, revenues and expenditures related to funds received from the municipal street aid fund are accounted for separately in the general fund in such a manner as to allow identification of the source of revenue and the expenditures related thereto, in accordance with Section 54-4-204(g), *Tennessee Code Annotated*.
- Section 3** Additional information on the allowable and unallowable uses of state street aid funds can be found in the publication, *State Street Aid Fund Expenditures: On the Road to Understanding*, published in 1994 by the Municipal Technical Advisory Service, University of Tennessee, 600 Henley Street, Suite 120, Knoxville, Tennessee, 37996-4105, (615) 974-0411.

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**Section 4**    **Municipal officials should ensure that financial activities related to solid waste management are accounted for according to Section 68-211-874, *Tennessee Code Annotated*. Refer to Title 4, Chapter 2, of this manual. Additional information may be obtained from the Comptroller of the Treasury, Department of Audit, Division of Municipal Audit, or from the Municipal Technical Advisory Service.**

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**TITLE 2 PURCHASING/EXPENDITURES  
CHAPTER 6 DRUG FUND EXPENDITURES**

**Municipal officials should ensure that**

**Section 1 drug funds other than confidential funds noted in Section 2 are disbursed and accounted for as follows:**

- (a) Section 53-11-415, *Tennessee Code Annotated*, requires the recorder to establish a separate fund (not necessarily a separate bank account). All money received from the enforcement of Section 39-17-401 et seq., "Tennessee Drug Control Act of 1989," *Tennessee Code Annotated*, should be accounted for through this fund.**
- (b) The chief law enforcement officer or his designee may request money from this fund to use in drug enforcement. This written request should be signed by the local district attorney general.**
- (c) The chief law enforcement officer should account to the recorder for all expenditures from this fund.**
- (d) All expenditures from this fund should follow the same guidelines and regulations as any other expenditures of the municipality.**
- (e) Money should flow from this drug fund account to the confidential drug fund.**

**Section 2 cash transactions related to undercover investigative operations are handled in accordance with the provisions of Section 39-17-420(f), *Tennessee Code Annotated*. Procedures for handling such funds are enumerated in the guidelines entitled "Procedures for Handling Cash Transactions Related to Undercover Investigative Operations of County and Municipal Drug Enforcement Programs," issued by this office in January 1991 pursuant to Section 39-17-420(f).**

**INTERNAL CONTROL AND COMPLIANCE MANUAL  
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**TITLE 3**

**COLLECTIONS/REVENUE**

# **INTERNAL CONTROL AND COMPLIANCE MANUAL FOR TENNESSEE MUNICIPALITIES**

## **TITLE 3 COLLECTIONS/REVENUES CHAPTER 1 CASH RECEIPTS**

**Municipal officials should ensure that**

**Section 1** responsibility for each step of cash handling and recording is clearly established. If possible, the employees who receive cash collections should be different from those who maintain the books and records.

**Section 2** prenumbered receipts for each revenue source are issued as required by Section 9-2-103, *Tennessee Code Annotated*, and all unused or voided receipts are accounted for. Collections from customers evidenced by stubs from utility bills and property tax bills do not require an additional receipt. However, if the bill is not presented with payment, the cashier should prepare a duplicate. Each bill stub should be stamped or marked "PAID," dated by the cashier, and marked to identify whether the form of remittance is cash or check.

**NOTE:** Anytime custody of money changes from one employee to another, the money should be counted by both employees, a receipt should be issued by the recipient of the funds, and **BOTH EMPLOYEES SHOULD SIGN THE DOCUMENT INDICATING CONCURRENCE WITH THE AMOUNT TRANSFERRED.**

**Section 3** the payment date and amount is recorded for each individual account in the property tax roll or utility billing register on a timely basis.

**NOTE:** The billing register or property tax roll should be posted no more than three working days after collection and deposit.

**Section 4** office mail is delivered intact (unopened) to an employee who is assigned the duty of immediately opening the mail and preparing an itemized bank deposit slip in duplicate for all money received. All checks should be stamped "FOR DEPOSIT

## **INTERNAL CONTROL AND COMPLIANCE MANUAL FOR TENNESSEE MUNICIPALITIES**

**ONLY.” The deposit slip and checks received through the mail should be given to the cashier. Regardless of whether the remittance is received by mail or paid directly to the cashier, EACH CHECK SHOULD BE LISTED SEPARATELY TO SUPPORT THE DEPOSIT SLIP TOTAL.**

- Section 5** at the end of the day, the cashier counts the cash and checks on hand, leaving only the predetermined amount in the change fund. Collections should be deposited promptly and intact and only in designated depositories. The bank's night depository should be used, if necessary, to avoid large accumulations of currency overnight. State law requires that public funds be deposited within three days of receipt. The municipality should make daily deposits when large amounts of money are involved.
- Section 6** each day the cashier summarizes all cash collections by source on a daily collection report, clearly indicating the amount to be deposited, the amount retained for change, and the amount of cash over or short. Each report should be dated, and the date should be recorded on the corresponding deposit slips. The total on the daily collection report should agree with the total of the corresponding deposit slips as well as with the total of all applicable receipts. The cashier should sign the daily collection report. Each cashier should be assigned a separate cash drawer that is accessible only to that cashier.
- Section 7** at the end of each day, all receipt documents, billing stubs, property tax receipts, and other evidence of collection are turned over to the bookkeeper for posting.
- Section 8** duplicate, prenumbered receipts are marked and property tax receipts and billing stubs are filed according to the deposit to which they correspond.



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**TITLE     3   COLLECTIONS/REVENUES**  
**CHAPTER 2   BUSINESS TAX AND BUSINESS LICENSES**

**Municipal officials should ensure that**

- Section 1**   **for business tax and business license collection, an alphabetical card file, preferably maintained by the building inspector or someone outside the city recorder's office, is set up to provide the following details:**
- a.   the business name, address, and telephone number**
  - b.   the name and home address of the business manager or owner**
  - c.   the various license and tax requirements which apply to the business and the applicable dates**
- Section 2**   **business tax and business license enforcement procedures are established. Information on new businesses and on business ownership changes should be obtained from observations of police officers and building inspectors, utility billing changes, newspaper and telephone advertising, and state sales tax department data.**
- Section 3**   **collections of the business tax, regulatory license fees, and permit fees are recorded on prenumbered forms designed for the specific purpose, using similar internal control procedures as for other cash receipts.**
- Section 4**   **collection of business tax and regulatory license and permit fees is continuously and systematically enforced out of fairness to the reputable business operators who pay willingly.**

**INTERNAL CONTROL AND COMPLIANCE MANUAL  
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**TITLE 3 COLLECTIONS/REVENUES  
CHAPTER 3 UTILITY BILLING**

**Municipal officials should ensure that**

**Section 1** utility meters are read monthly (or bimonthly, if desired) and the meter reading recorded in the meter route book. Municipalities doing their own billing instead of using a commercial billing service should consider using a specialized computer software program to prepare the necessary two or three-part bills, customer ledger, and receipts. Also, the program should accumulate the total amount of user charges, consumption statistics, and the amount of sales tax payable. The meter route book sheets should be arranged in the order in which the meters are read. The sheets should be compared periodically to the meter deposit record to ensure that all services are metered and that all meters are being read.

**Section 2** the total number of gallons of water pumped through the master meter (and listed on the bill, if water is purchased) is compared with the total number of gallons sold and the number of gallons estimated to be in storage, to identify any loss in transit. Unexplained fluctuations should be investigated to ensure that users are billed for total consumption and that malfunctioning meters and leaks in lines and mains are located promptly and repaired.

**Section 3** charges disputed by customers are investigated and adjustments are approved, in accordance with the municipality's policy, by someone other than the bookkeeper handling receipt and payment records.

**NOTE:** Adjustments should never be made by the employee who collects or posts the accounts as paid. If the municipality utilizes a computer system, the employee who collects or posts should not have access to that portion of the computer system that allows adjustments.

## **INTERNAL CONTROL AND COMPLIANCE MANUAL FOR TENNESSEE MUNICIPALITIES**

- Section 4** documentation of each adjustment is required and retained. Adjustments to billings for meter reading and other errors should be recorded in the billing register. All adjustments to customers' bills should be approved by the governing body or its designee.
- Section 5** all applicable late payment charges are recorded. A listing of the amounts of accounts receivable from the prior month's utility billing sheets should be prepared.
- Section 6** for manual systems, delinquent accounts receivable and penalty charges are listed in the utility billing sheet arrears column and added to the current month's billing.
- Section 7** an application for utility service is completed for each new meter connection. The applications, each showing the customer's name, address, account number, meter number and location, date and amount of the deposit and deposit refund, and customer's signature, should be maintained in an alphabetical file as an index of utility customers. A copy of the application and a receipt for the deposit should be given to the customer.
- Section 8** a customer's meter deposit is applied to the final billing and any remaining balance is refunded. A record (including customer's name) of any unpaid charges should be retained for future collection effort.
- Section 9** if accounts remain unpaid on the municipality's cutoff date, service is discontinued in compliance with the municipality's policy.
- Section 10** the total amount of the unpaid individual accounts on the utility billing sheet is reconciled to the applicable general ledger control account total at the end of each month.

## **INTERNAL CONTROL AND COMPLIANCE MANUAL FOR TENNESSEE MUNICIPALITIES**

**Section 11** Unclaimed customer deposits which the municipality does not refund represent unclaimed property. Municipal officials should ensure that the municipality complies with the Uniform Disposition of Unclaimed Property Act as set forth in Sections 66-29-101 through 6-29-153, *Tennessee Code Annotated*. This act requires every entity holding the unclaimed property of an owner who has not corresponded with the entity within the statutory period to file an annual report with the state treasurer. Every municipality within the state must file an annual report whether it is holding unclaimed property or not. The Unclaimed Property Division should be contacted at (615) 741-6499 if the municipality has not been receiving the reporting booklet or if any questions arise concerning the Unclaimed Property Act.

# **INTERNAL CONTROL AND COMPLIANCE MANUAL FOR TENNESSEE MUNICIPALITIES**

## **TITLE 3 COLLECTIONS/REVENUES CHAPTER 4 PROPERTY TAX**

**After assessment of property to establish the tax rate base, the legislative body must pass an annual tax levy ordinance to set the tax rate. This tax levy should not be allocated to special purposes to any extent not required by law. It should be emphasized that the tax levy ordinance merely authorizes collection of the tax to provide resources to finance budget appropriations.**

**Municipal officials should ensure that**

- Section 1 each step of the taxation process is in strict compliance with applicable law. A receivable for property tax should be recognized on the balance sheet as of the levy date.**
- Section 2 tax collections received through the mail are controlled as explained in this manual, Title 3, Chapter 1, Cash Receipts.**
- Section 3 one copy of the property tax receipt is filed numerically and one copy is filed by date paid. Daily tax collections should be summarized in total by levy year on the daily collection report, with penalties recorded separately.**
- Section 4 the property tax receivable balance per the general ledger is periodically reconciled to the total amount of unpaid accounts per the tax roll and to the total amount of the unpaid tax receipts.**
- Section 5 each individual taxpayers' payment is promptly posted on the applicable tax roll.**
- Section 6 a delinquent tax notice is published in the local newspaper at least a month before the delinquency date.**
- Section 7 delinquent tax notices, showing the amount of tax, interest, and penalty due for each year of unpaid taxes, are mailed to all**

## **INTERNAL CONTROL AND COMPLIANCE MANUAL FOR TENNESSEE MUNICIPALITIES**

**applicable taxpayers soon after the delinquency date. Extra effort should be made to obtain correct ownership and address information and to remind taxpayers of the additional cost of penalty and interest accruing.**

**Section 8** If a municipality which has the power under its charter to collect its own tax wishes to collect its own delinquent property tax, the municipal officials must ensure that an ordinance establishing delinquent collection procedures, including authorization for the sale of property when necessary, is passed.

**NOTE:** To our knowledge, no authority exists under Tennessee law to waive or forgive property tax.

**Section 9** If a municipality does not have the power under its charter to collect its own tax or if the municipality has the power under its charter but has not passed an ordinance establishing delinquent collection procedures, municipal officials should ensure that all delinquent tax is certified to the county trustee by May 1 of the year after the tax becomes due. For instance, delinquent taxes for the 1993 tax year should be certified by May 1, 1994.

**NOTE:** All additions and deletions to the tax rolls should be supported by appropriate documentation from the tax assessor's office.

# **INTERNAL CONTROL AND COMPLIANCE MANUAL FOR TENNESSEE MUNICIPALITIES**

## **TITLE 3 COLLECTIONS/REVENUES CHAPTER 5 TRAFFIC CITATIONS AND COURT COLLECTIONS**

**Section 1** Effective control of the financial aspects of traffic violations requires strict adherence to internal control procedures and use of prenumbered three-part forms. A two-part prenumbered parking ticket is recommended for use by police officers when citing vehicles for parking violations.

**Municipal officials should ensure that**

**Section 2** physical control of unissued traffic ticket citations or parking tickets is maintained. Each police officer should be required to sign for each book of prenumbered traffic ticket citations or parking tickets when issued by the designated employee.

**Section 3** the city court docket is maintained by the city judge or a designee (usually city court clerk), and includes documentation of all transactions related to the case.

**Section 4** when a traffic ticket is issued to a violator, one copy is given to the violator, one copy remains with the police department, and one copy is given to the city court clerk, or to the employee or official responsible for maintaining the court docket. The person responsible for maintaining the court docket should post the violation to the court docket and file the ticket numerically. The posting to the court docket should include the ticket number.

**Section 5** prenumbered receipts are used for all payments of fines prior to court date. The violator's copy of the traffic ticket or parking ticket should be stamped "paid." The prenumbered receipt should include the ticket number. The violator's copy of the traffic ticket should be attached to the clerk's copy, filed numerically, and the payment information posted to the court docket.

## **INTERNAL CONTROL AND COMPLIANCE MANUAL FOR TENNESSEE MUNICIPALITIES**

**NOTE: The posting to the court docket should include the receipt number.**

- Section 6** prenumbered receipts are issued for bail posted for court cases. Bail should be held in trust in the **MUNICIPALITY'S BANK ACCOUNT** until the verdict is rendered and bail is forfeited or returned to the accused.
- Section 7** city court cases for which fines are not paid prior to court date are tried by the city judge. To ensure that all cases are heard, all citations and corresponding dispositions should be included in the court docket. The city judge should sign the record of all dispositions.
- Section 8** fines and costs assessed and collected are recorded in the court docket after judgment is rendered. If the accused is found not guilty and had posted bail earlier, a check should be written to that person to refund the bail posted. Prenumbered receipts should be issued for collections in court, and the number of the prenumbered receipt should be posted to the court docket. The ticket number should be included on the prenumbered receipt.
- Section 9** the amount due the State of Tennessee for state fines collected, including litigation tax, is paid and the special reports required by the state for violations requiring revocation of the driver's license are filed. These must be filed on a monthly basis to be received by the 15th of the following month.
- Section 10** additional efforts are initiated to collect all outstanding fines.
- Section 11** the responsible police officer is contacted for missing traffic citations or parking tickets.



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**TITLE 4**

**OTHER GUIDELINES FOR TENNESSEE MUNICIPALITIES**

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**TITLE     4   OTHER GUIDELINES FOR TENNESSEE MUNICIPALITIES**  
**CHAPTER 1   WATER AND WASTEWATER SYSTEMS**

**Section 1   The Tennessee Wastewater Financing Board has adopted the following guidelines for evaluating the useful lives of assets of water and wastewater systems. The useful lives of assets should not exceed the appropriate guidelines listed below.**

<b><u>ASSET ACCOUNT</u></b>	<b><u>YEARS</u></b>
<b>Office Furniture and Fixtures</b>	<b>10</b>
<b>Office Building</b>	<b>40</b>
<b>Equipment and Tools</b>	<b>10</b>
<b>Transportation Equipment</b>	<b>5</b>
<b>Pumps and Treatment Equipment</b>	<b>10</b>
<b>Well/Dam</b>	<b>Engineer's Estimate</b>
<b>Plant Buildings</b>	<b>40</b>
<b>Lines and Storage</b>	<b>40-50</b>
<b>Sewer System</b>	<b>40-50</b>

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**TITLE 4 OTHER GUIDELINES FOR TENNESSEE MUNICIPALITIES  
CHAPTER 2 SOLID WASTE ACCOUNTING**

**Section 1 A municipality's activities related to solid waste may be recorded in the following:**

<u>Fund Type</u>	<u>Fund Account Number</u>	<u>Account Name</u>
Enterprise	421	Solid Waste Disposal
Enterprise	422	Solid Waste Collection
Special Revenue	131	Solid Waste Collection

As a result of legislation passed in 1991, any local government that operates a solid waste disposal site is required to record the operations in an enterprise fund. Fund account no. 421 is recommended for these activities. For those municipalities that provide collection services as well as a solid waste disposal site, this legislation provides the option of using an enterprise fund (account no. 422) or a special revenue fund (account no. 131) to account for the collection service. However, the operation of a solid waste disposal site must be accounted for in an enterprise fund (account no. 421). Municipalities that provide only collection service to their residents are required to account for this service in a separate fund. In almost all instances, they should choose to account for this service through a special revenue fund (account no. 131). The fund account numbers were developed by the Municipal Technical Advisory Service in conjunction with the Office of the Comptroller of the Treasury. They have been designed to be incorporated into the accounting system developed and used by the Local Government Data Processing Corporation.

**Section 2 Object expenditure codes to be used in solid waste accounting include the following:**

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<b>297</b>	<b>Landfill Facilities Fee</b>
<b>480</b>	<b>Landfill Materials</b>
<b>481</b>	<b>Daily Cover Material</b>
<b>482</b>	<b>Drainage Materials</b>
<b>483</b>	<b>Geotextile Materials</b>
<b>484</b>	<b>Synthetic Membrane</b>
<b>485</b>	<b>Liner Material</b>
<b>486</b>	<b>Wire or Fencing</b>
<b>487</b>	<b>Testing Supplies</b>
<b>488</b>	<b>Natural Materials</b>
<b>489</b>	<b>Other Landfill Material</b>
<b>560</b>	<b>State Fees and Charges</b>
<b>561</b>	<b>Application Fee</b>
<b>562</b>	<b>Tipping Fee (Surcharge)</b>
<b>563</b>	<b>Other Landfill Fees</b>
<b>564</b>	<b>Annual Maintenance Fee</b>
<b>565</b>	<b>Permit Fee</b>
<b>566</b>	<b>Sanitary Survey Fee</b>
<b>567</b>	<b>Plans Review Fee</b>
<b>568</b>	<b>Annual Emission Fee</b>
<b>569</b>	<b>Other State Fees and Charges</b>
<b>911</b>	<b>Site Acquisition</b>
<b>912</b>	<b>Site Development</b>

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**TITLE 4 OTHER GUIDELINES FOR TENNESSEE MUNICIPALITIES  
CHAPTER 3 DONATIONS TO NONPROFIT ORGANIZATIONS**

**Section 1** Section 6-54-111, *Tennessee Code Annotated*, authorizes a municipality's governing body to appropriate funds for the financial aid of any nonprofit charitable or nonprofit civic organization that provides services benefiting the general welfare of the residents of the municipality. This section also provides for the Comptroller of the Treasury to establish standard procedures to assist the municipal governing body in the disposition of funds so appropriated. These procedures are detailed below:

- \* A municipality may appropriate funds for only those nonprofit charitable and nonprofit civic organizations, classified under sections 501(c)(3), (4), or (6) by the Internal Revenue Service, that provide service benefiting the general welfare of the residents of the municipality as provided by the statute cited above.**
- \* The governing body of each municipality shall adopt a special resolution, stating the purpose for which funds are being appropriated, for each nonprofit charitable organization or nonprofit civic organization that is to receive municipal funds.**
- \* The budget document of the municipality shall include the name of each nonprofit charitable or nonprofit civic organization and the specific amount appropriated for each organization.**

## **INTERNAL CONTROL AND COMPLIANCE MANUAL FOR TENNESSEE MUNICIPALITIES**

- \* Payments to nonprofit charitable or nonprofit civic organizations shall be limited to the amounts appropriated for such purposes and in keeping with the municipality's guidelines for how the appropriated funds may be spent.**
- \* The municipality shall require each nonprofit charitable or nonprofit civic organization receiving financial assistance from the municipality to file with the disbursing official of the municipality a copy of an annual report of its business affairs and transactions and the proposed use of the contributed funds. This requirement is an addition to the requirement imposed by Section 6-54-111, *Tennessee Code Annotated*.**

*Adopted by the Board of Mayor and Aldermen*

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**TITLE 5  
APPENDIXES**

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**TITLE 5 APPENDIXES**  
**CHAPTER 1 CERTAIN APPLICABLE *TENNESSEE CODE ANNOTATED***  
**REFERENCES**

**BOOKS AND RECORDS**

<b>Section 9-2-102</b>	<b>Uniform accounting system</b>
<b>Section 66-29-113</b>	<b>Report of abandoned property</b>
<b>Section 39-16-504</b>	<b>Destruction of and tampering with governmental records</b>
<b>Section 39-14-130</b>	<b>Destruction of valuable papers with intent to defraud</b>

**AUDIT**

<b>Section 9-3-212</b>	<b>Duty to order and pay for audits</b>
<b>Section 8-4-109</b>	<b>Audits of governmental entities</b>

**TAXES**

<b>Section 67-5-2005</b>	<b>Delinquent municipal real property taxes</b>
<b>Section 6-55-101</b>	<b>Collection and payment of taxes</b>
<b>Section 6-55-201</b>	<b>Sale of real estate for delinquency</b>
<b>Section 6-55-301</b>	<b>Privilege taxes</b>

**PURCHASING**

<b>Section 12-4-106</b>	<b>Contracts for professional services</b>
<b>Section 12-3-1001</b>	<b>Purchases for local governmental units</b>
<b>Section 12-4-101</b>	<b>Personal interest of officers prohibited</b>
<b>Section 6-54-107</b>	<b>Interest of officer in municipal contracts prohibited</b>
<b>Section 39-16-105</b>	<b>Buying and selling in regard to offices</b>



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## **INVESTING AND BANKING**

<b>Section 9-1-107</b>	<b>Investments-Deposits exceeding insurance limits</b>
<b>Section 6-56-106</b>	<b>Authorized investments</b>
<b>Section 9-4-101 &amp; Section 6-56-110</b>	<b>Collateral</b>

## **DISBURSEMENTS**

<b>Section 6-54-901</b>	<b>Reimbursement for expenses incident to holding office</b>
<b>Section 6-56-111</b>	<b>Deposit of funds-Petty cash-Disbursement</b>
<b>Section 6-54-111</b>	<b>Appropriation of funds for nonprofit organizations</b>

## **POLICE AND CITY COURTS**

<b>Section 40-4-109</b>	<b>Docket</b>
<b>Section 40-4-113</b>	<b>Annual report of money received</b>
<b>Section 39-16-609</b>	<b>Failure to appear</b>
<b>Section 55-10-306</b>	<b>Record of traffic cases-report of convictions to department</b>
<b>Section 55-50-503</b>	<b>Surrender of license</b>
<b>Section 40-35-313</b>	<b>Expungement from official records</b>
<b>Section 55-16-101</b>	<b>Report of unclaimed vehicles</b>
<b>Section 55-10-303</b>	<b>Disposition of collections</b>
<b>Section 53-11-204</b>	<b>Disposition of proceeds</b>
<b>Section 39-17-505</b>	<b>Possession of gambling device or record-forfeiture</b>
<b>Section 39-11-116</b>	<b>Disposition of forfeited property</b>
<b>Section 53-11-415</b>	<b>Special account for drug funds</b>
<b>Section 53-11-451</b>	<b>Goods subject to forfeiture-seizure-disposition</b>
<b>Section 39-17-420</b>	<b>Fines and forfeitures</b>
<b>Section 39-17-428</b>	<b>Mandatory minimum fines-allocation of proceeds</b>
<b>Section 53-11-201</b>	<b>Procedure in confiscation</b>
<b>Section 39-17-1317</b>	<b>Confiscation and disposition of confiscated weapons</b>

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**POLICE AND CITY COURTS-continued**

**Section 39-17-1318**    **New serial numbers for confiscated firearms**  
**Section 18-1-206**     **Disposal of physical evidence**

**CRIMINAL STATUTES**

**Section 39-16-50**     **Definitions for interference with government  
operations offenses**  
**Section 39-16-401**   **Definitions for public misconduct offenses**  
**Section 39-16-402**   **Official misconduct**  
**Section 39-16-403**   **Official oppression**

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**TITLE        5    APPENDIXES**  
**CHAPTER 2    CERTAIN APPLICABLE ATTORNEY GENERAL'S OPINIONS**

**BOOKS AND RECORDS**

<b><u>DATE</u></b>	<b><u>OPINION NUMBER</u></b>	<b><u>QUESTION</u></b>
<b>08/16/89</b>	<b>89-102</b>	<b>Accounting and auditing standards for local housing authorities</b>
<b>11/28/89</b>	<b>U89-134</b>	<b>Vending machines and pay telephone operations</b>
<b>08/13/90</b>	<b>U90-114</b>	<b>Application of open meetings act to city council interviews with applicants for city manager position</b>
<b>12/23/91</b>	<b>U91-164</b>	<b>Publication of official notices</b>

**AUDIT**

<b><u>DATE</u></b>	<b><u>OPINION NUMBER</u></b>	<b><u>QUESTION</u></b>
<b>05/29/91</b>	<b>91-52</b>	<b>Filing annual audit under Section 6-54-111(c), <i>Tennessee Code Annotated</i></b>

**DISBURSEMENTS**

<b><u>DATE</u></b>	<b><u>OPINION NUMBER</u></b>	<b><u>QUESTION</u></b>
<b>11/04/80</b>	<b>None</b>	<b>In-lieu-of-tax payments by a municipality's wholly-owned utility</b>
<b>10/27/88</b>	<b>88-194</b>	<b>Use of state street aid funds at the intersection of a state highway and a municipal street</b>
<b>11/09/89</b>	<b>U89-130</b>	<b>Providing municipal services to residents on a private street</b>
<b>02/06/90</b>	<b>90-12</b>	<b>Spouse travel expenses</b>

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**DISBURSEMENTS-continued**

<b><u>DATE</u></b>	<b><u>OPINION NUMBER</u></b>	<b><u>QUESTION</u></b>
<b>10/12/90</b>	<b>U90-149</b>	<b>Donations to nonprofit charitable and civic organizations</b>
<b>09/01/92</b>	<b>U92-100</b>	<b>Municipal utilities and utility revenues</b>
<b>03/04/92</b>	<b>93-18</b>	<b>Loan by municipality to county industrial development corporation</b>
<b>06/11/93</b>	<b>U93-63</b>	<b>Conflict of interest/employee serving as mayor</b>
<b>04/08/94</b>	<b>U94-070</b>	<b>Installation of water lines in a private development</b>
<b>03/06/95</b>	<b>U95-021</b>	<b>Municipality's authority to engage in development of a residential subdivision</b>

**POLICE AND CITY COURTS**

<b><u>DATE</u></b>	<b><u>OPINION NUMBER</u></b>	<b><u>QUESTION</u></b>
<b>11/01/88</b>	<b>88-195</b>	<b>Disposition of confiscated weapons, Section 39-6-1708, <i>Tennessee Code Annotated</i></b>
<b>10/22/90</b>	<b>90-98</b>	<b>Law enforcement agencies' authority to use drug funds to acquire and install satellite communication equipment and pay officer tuition fees for drug enforcement training</b>
<b>10/28/91</b>	<b>91-85</b>	<b>Disposition of criminal fines</b>
<b>05/28/92</b>	<b>92-45</b>	<b>Use of drug fines for drug education programs</b>
<b>10/08/92</b>	<b>U92-121</b>	<b>Deposit of fines under Section 39-17-428, <i>Tennessee Code Annotated</i></b>